

Message Text

SECRET

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ACTION SS-25

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O P 160710Z SEP 75 ZFF5
FM AMEMBASSY BUDAPEST
TO SECSTATE WASHDC IMMEDIATE 4208
INFO AMEMBASSY STOCKHOLM PRIORITY

S E C R E T SECTION 1 OF 2 BUDAPEST 3014

DEPTO 29

EXDIS

E.O. 11652: GDS

TAGS: SW, PFOR, OVIP (INGERSOLL, ROBERT S)

SUBJECT: DEPUTY SECRETARY'S MEETING AT SWEDISH FOREIGN MINISTRY

1. DEPUTY SECRETARY INGERSOLL, ACCOMPANIED BY AMBASSADOR STRAUZ-HUPE, LOWENSTEIN, DUEMLING AND EMBASSY OFFICIALS MET AT SWEDISH FOREIGN MINISTRY FOR THREE HOURS ON AFTERNOON OF SEPTEMBER 10 WITH GROUP OF OFFICIALS HEADED BY PERMANENT UNDER SECRETARY ASTROM. FOLLOWING ARE HIGHLIGHTS OF DISCUSSIONS.

2. ASTROM OPENED THE MEETING WITH A CAREFULLY WORDED REFLECTION ON THE COURSE OF SWEDISH-AMERICAN RELATIONS OVER THE PAST FIVE YEARS. HE EXPLICITLY ACKNOWLEDGED THE COOLNESS WHICH HAD EXISTED, NOTED THE RESUMPTION OF TRADITIONALLY FRIENDLY RELATIONS, BUT OBSERVED THAT WHILE NO ENMITY EXISTS ON THE SWEDISH SIDE, THERE IS A LEGACY OF DISTRUST WITHIN SWEDISH PUBLIC OPINION, THOUGH NOT WITHIN THE GOS. THEREFORE, IMPROVEMENT OF OUR BILATERAL RELATIONS WILL PROCEED WITH CAUTION, BUT WILL PROCEED. DEPUTY SECRETARY BRIEFLY RESPONDED THAT USG DESIRES TO IMPROVE BILATERAL RELATIONS AND THAT WE SHOULD BE ABLE TO MANAGE OUR DIFFERENCES.

3. DETENTE - TURNING TO THE AGENDA, ASTROM SAID SWEDEN
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ACCEPTS THE IMPORTANCE OF DETENTE BUT HE OBSERVED THAT

THE TWO MAJOR POWERS APPROACH ALMOST ALL ISSUES FROM THAT VIEWPOINT AND MAY THEREFORE SUPPORT THE STATUS QUO AND OPPOSE NECESSARY CHANGE. THE DEPUTY SECRETARY REPLIED THAT AVOIDING A NUCLEAR HOLOCAUST IS OF OVERWHELMING IMPORTANCE TO THE ENTIRE WORLD. HE THEN PROVIDED SOME PERSPECTIVE ON HOW THE USG, AS WELL AS VARIOUS COMPONENTS OF AMERICAN SOCIETY, VIEW DETENTE. HE APPLAUDED SWEDEN'S DEFENSE EFFORTS WHICH CONSTITUTE PART OF THE DETERRENT FORCES IN WESTERN EUROPE. ASTROM ACCEPTED THIS VIEW OF SWEDEN'S STRATEGIC POSTURE BUT EXPRESSED A DESIRE FOR MORE INFORMATION ON MBFR AND PERHAPS AN OPPORTUNITY FOR SWEDEN TO PARTICIPATE WHEN THE BALTIC AREA IS BEING DISCUSSED. IN RESPONSE TO A QUESTION ON THE MBFR TIMETABLE, THE DEPUTY SECRETARY DESCRIBED OUR CURRENT EFFORTS WITH RESPECT TO ASYMMETRICAL REDUCTIONS IN CENTRAL EUROPE AND NOTED THAT WE CANNOT YET DETERMINE WHEN THIS PHASE WILL BE CONCLUDED. LOWENSTEIN EXPANDED ON OUR GENERAL MBFR STRATEGY AND DREW THE RELATIONSHIP TO DEVELOPMENTS IN CSCE. ASTROM QUOTED PALME TO EFFECT THAT WE MUST BE OUT-SPOKEN ABOUT SOVIET ACTIVITIES EVEN THOUGH SWEDISH-SOVIET RELATIONS ARE "STABLE AND NORMAL". ASTROM ADDED THAT "GEOGRAPHY IS A FACT OF LIFE", BUT THE EXCHANGE OF OFFICIAL VISITS BETWEEN SWEDEN AND THE USSR TAKES PLACE ONLY EVERY THREE YEARS.

4. PORTUGAL - ASTROM DESCRIBED SWEDEN'S HOPE FOR A PEACEFUL REVOLUTION IN PORTUGAL AND STRESSED THE IMPORTANCE OF KEEPING PORTUGAL FROM BEING ISOLATED. IN THIS CONNECTION, HE MENTIONED INVITATIONS TO VISIT SWEDEN EXTENDED TO MEMBERS OF ARMED FORCES MOVEMENT, TECHNICAL AGREEMENTS, HUMANITARIAN AID, ETC. HE ALSO DESCRIBED THE RECENT STOCKHOLM AND LONDON CONFERENCES OF SOCIALIST LEADERS. ASTROM STATED THAT SWEDEN'S EFFORTS ARE BEING CONDUCTED BOTH ON A SOCIALIST PARTY TO PARTY BASIS AND A GOVERNMENT TO GOVERNMENT BASIS. PRIVATELY THE SWEDES HAVE TOLD THE AFM THAT INCREASED GOVERNMENT TO GOVERNMENT AID CAN ONLY COME IN THE WAKE OF DEMOCRATIC EVOLUTION. SOARES, FOR HIS PART, HAS CAUTIONED AGAINST SOCIALIST GOVERNMENTS IN EUROPE BREAKING CONTACTS WITH THE GOP. ASTROM SAID THAT THE KEY

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PROBLEM NOW IS ECONOMIC, AND THAT INTERESTED GOVERNMENTS SHOULD CONSULT ON WHAT WE MIGHT DO TOGETHER.

5. SPAIN - ASTROM NOTED THE CRUCIAL IMPORTANCE OF PORTUGUESE DEVELOPMENTS ON THE FUTURE OF SPAIN. THE DEPUTY SECRETARY EXPRESSED OUR UNDERSTANDING OF THE SWEDISH ATTITUDE TOWARD FRANCO, BUT STRESSED THAT WE MUST ACT NOW TO INFLUENCE FUTURE EVENTS. ASTROM RESPONDED THAT

THE SWEDISH SOCIALIST PARTY OPENLY MAINTAINS CONTACTS WITH SOCIALISTS IN SPAIN, BUT THAT FOR HISTORICAL REASONS CABINET LEVEL CONTACTS ARE NOT POSSIBLE YET. ASTROM SAID THAT THE FOREIGN OFFICE IS CURRENTLY CONSIDERING WHETHER HE SHOULD VISIT MADRID.

6. IEA AND PRODUCER-CONSUMER CONFERENCE - ASTROM CITED TWO SWEDISH CONCERNS WITH RESPECT TO A PRODUCER-CONSUMER CONFERENCE: PARTICIPATION SHOULD ACCOMMODATE A MULTIPLICITY OF NATIONAL VIEWPOINTS, AND THE CREATION OF AN INSTITUTIONAL STRUCTURE OUTSIDE THE UN FAMILY SHOULD BE AVOIDED. THE DEPUTY SECRETARY DESCRIBED OUR EXPECTATIONS FOR THE WORK OF THE PRODUCER-CONSUMER CONFERENCE AND AGREED THAT ANY CONCLUSIONS OR AGREEMENTS SHOULD BE PASSED TO EXISTING AGENCIES FOR IMPLEMENTATION. HE ADDED THAT IN THIS DIALOGUE, AS AT THE UN, WE MUCH PREFER PRACTICAL SOLUTIONS TO REAL PROBLEMS AND NOT STERILE ATTEMPTS AT SWEEPING THEORETICAL AGREEMENTS. THE SWEDES EXPRESSED SATISFACTION WITH CURRENT OPERATIONS IN IEA, THOUGH WITH SOME RESERVATIONS ABOUT THE FLOOR PRICE. INGERSOLL

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ACTION SS-25

INFO OCT-01 SSO-00 CCO-00 ISO-00 /026 W

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O P 160710Z SEP 75 ZFF5

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC IMMEDIATE 4209

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DEPTO 29

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7. IN DISCUSSION PRODUCER-CONSUMER RELATIONS, ASTROM EXPRESSED ADMIRATION FOR SECRETARY KISSINGER'S UN SPEECH ON SEPTEMBER 1 WHICH HE DESCRIBED AS "BRISTLING WITH IDEAS" AND WHICH "CHANGED THE ATMOSPHERE OF THE SPECIAL SESSION".

8. MIDDLE EAST - ASTROM EXPRESSED SWEDEN'S RELIEF AT THE ACHIEVEMENT OF AN INTERIM SOLUTION, NOTED SWEDISH DISAPPROVAL OF ATTEMPTS TO ISOLATE ISRAEL AND STATED THAT THE GOS WILL OPPOSE ANY ANTI-ISRAEL STRATEGEMS AT THE UN.

9. TERRORISM - ASTROM NOTED SWEDEN'S UNHAPPY INVOLVEMENT WITH TERRORISTS ACTIVITIES AND STATED THAT THE GOS WISHES TO WORK CLOSELY WITH US ON THIS PROBLEM AT THE UN. THE DEPUTY SECRETARY DESCRIBED OUR POLICY ON TERRORISM AND OFFERED TO SHARE WITH SWEDISH REPRESENTATIVES THE EXPERIENCE AND INFORMATION CENTERED ON S/CCT. ASTROM RESPONDED VERY FAVORABLY TO THIS SUGGESTION.

10. DISARMAMENT AND NPT - ASTROM EXPRESSED SWEDEN'S CONCERN ON THE LACK OF SPEED WITH WHICH NUCLEAR POWERS ARE ADVANCING ON THEIR ARTICLE 6 OBLIGATIONS, AS A COUNTERPART TO NUCLEAR SELF-DENIAL BY OTHER NATIONS. HE ALSO NOTED SWEDISH C# IWER ZFOR PCEQUATE SAFSLUSLPBRBUOU#
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ROM#AND THE
DEPUTY SECRETARY AGREED ON OUR COMMON INTEREST IN THIS SUBJECT. ASTROM THEN MENTIONED THE LONDON MEETINGS OF NUCLEAR SUPPLIERS AND COMMENTED THAT "SHOULD THIS GROUP FEEL SWEDEN COULDKE#
AME SUUX#PARTICIPATE, AN INVITATION WOULD RECEIVE A POSITIVE RESPONSE". THE DEPUTY SECRETARY BRIEFLY DESCRIBED THE ACTIVITIES OF THE SUPPLIERS GROUP, EXPRESSED OPTIMISM THAT SOME RULES MAY BE FORMULATED SHORTLY, AFTER WHICH THE GROUP COULD PROBABLY BE ENLARGED TO INCLUDE OTHER EXPORTERS OF NUCLEAR TECHNOLOGY. THE DEPUTY SECRETARY SAID THAT WE WOULD KEEP IN TOUCH WITH SWEDEN ON THIS SUBJECT. FINALLY, ASTROM SAID SWEDEN CONTINUES TO PUSH FOR A CTB, TO WHICH LOWENSTEIN RESPONDED THAT THE USG IS STUDYING THE SWEDISH PROPOSAL FOR AN EXPERTS GROUP.

11. SPECIALTY STEEL AND DUMPING - ASTROM BRIEFLY MENTIONED THE POTENTIAL PROBLEMS OF EXPORTS OF SPECIALTY STEEL TO THE US MARKET AND ANTI-DUMPING INVESTIGATIONS OF AUTO SALES. THE DEPUTY SECRETARY NOTED THAT BOTH CASES ARE IN THE INVESTIGATORY STAGE AND THAT THE NEW TRADE ACT GIVES US MORE FLEXIBILITY IN OUR HANDLING OF SUCH CASES.

12. KOREA AND INDOCHINA REFUGEES - THE DEPUTY SECRETARY THEN RAISED TWO ISSUES: THE KOREAN QUESTION AT THE UNGA AND INDOCHINA REFUGEES. WITH RESPECT TO KOREA, ASTROM SAID THE GOS FAVORS SOME CONSENSUS PROCEDURE TO AVOID TENSIONS WHICH WOULD RESULT IF BOTH FRIENDLY AND UNFRIENDLY RESOLUTIONS SHOULD PASS. CONCERNING SWEDEN'S VIEW OF THE UNFRIENDLY RESOLUTION, HE SAID THE ISSUES AND TACTICAL SITUATION ARE STILL UNDER STUDY. THE DEPUTY SECRETARY SAID THE USG WOULD BE INTERESTED IN THE OUTCOME OF THESE STUDIS, AND ASTROM AGREED TO BE IN TOUCH WITH US. ON REFUGEES, ASTROM STATED THE GOS HAD RESPONDED TO A UNHCR REQUEST WITH A PROMISE TO CONSIDER ON THEIR MERITS ANY APPLICATIONS FOR ENTRY. HE
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WAS NOT INFORMED ON HOW THE MATTER STOOD BUT PROMISED TO RAISE IT WITH THE APPROPRIATE MINISTRY. IN THIS CONNECTION, THE DEPUTY SECRETARY OFFERED TO PROVIDE THE GOS WITH INFORMATION WE DEVELOP CONCERNING THE SKILLS OF REFUGEES SEEKING HOMES. HE ADDED THAT HE HOPED THE GOS WOULD TAKE AN ACTIVE AND POSITIVE APPROACH TO THIS PROBLEM RATHER THAN SIMPLY A PASSIVE ONE.

13. AT THE CONCLUSION OF THE MEETING, THE DEPUTY SECRETARY ASKED WHAT SWEDEN'S GOALS WOULD BE AT A PRODUCERS-CONSUMERS CONFERENCE. ASTROM RESPONDED THAT THE SWEDISH SPEECH TO THE UN SPECIAL SESSION GENERALLY COVERED THE SUBJECT BUT HE THEN MENTIONED FOUR POINTS:

A) SWEDEN FAVORS COMMODITY AGREEMENTS AND THE CREATION OF BUFFER STOCKS BUT ON A CASE BY CASE APPROACH.

B) SWEDEN FAVORS COMPENSATORY FINANCING AND INCOME STABILIZATION FOR LDC'S

C) SWEDEN PROPOSES TO FORGIVE THE INDEBTEDNESS OF THE LEC'S BUT ONLY IN COOPERATION WITH OTHER DEVELOPED COUNTRIES AND NOT AS A UNILATERAL SWEDISH GESTURE.

D) SWEDEN WILL MAINTAIN AID AT THE ONE PERCENT OF GNP LEVEL.

ASTROM ADDED THAT SWEDEN IS CONCERNED OVER HOW TO INSTITUTIONALIZE EFFORTS TO REACH SUCH GOALS. WITH RESPECT TO SWEDISH GOAL AT AN ENERGY CONFERENCE, ASTROM SAID IT WOULD BE TO ACHIEVE "STABILIZATION DOWNWARD".

14. THE MEETING CONCLUDED WITH AN EXCHANGE OF COMPLIMENTS

ON THE EXCELLENT JOBS WHICH OUR RESPECTIVE AMBASSADORS
ARE DOING IN IMPROVING US-SWEDISH RELATIONS.
INGERSOLL

NOTE BY OC/T: BUDAPEST 3014 SEC 2 OF 2 PARA 10 (##) AS RECEIVED.
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